



Telephone:
(916) 445-0255

STATE OF CALIFORNIA
Office of the Auditor General
660 J STREET, SUITE 300
SACRAMENTO, CA 95814

Thomas W. Hayes
Auditor General

January 11, 1988

P-745.1

Honorable Ken Maddy, Vice Chairman
Members, Joint Legislative
Audit Committee
State Capitol, Room 3056
Sacramento, California 95814

Dear Mr. Vice Chairman and Members:

As a follow up to our report entitled "A Review of the Golden Gate Bridge, Highway and Transportation District and the 50th Anniversary Celebration of the Golden Gate Bridge," Report P-745, we have completed our review of the expenses of the members of the board of directors of four additional transit organizations. These organizations consist of the Bay Area Rapid Transit District, the Sacramento Regional Transit District, the San Diego Transit Corporation, and the San Mateo County Transit District. Table 1 on page two of this letter summarizes the expenses for each board at each transit district, including the Golden Gate Bridge, Highway and Transportation District, for fiscal years 1985-86 and 1986-87. Table 1 addresses four areas: the fees paid to the directors, the benefits provided to the directors, the reimbursement for board and committee meeting travel, and the reimbursement for all other travel. Table 2 summarizes the total yearly expenses for each organization and the percentage of these total expenses for each board of directors. In addition, we have also included in the text a background section on each of the transit organizations that we reviewed.

Scope and Methodology

As part of our work to determine the directors' expenses at each of the transit organizations, we reviewed the directors' minutes, timesheets, travel claims, and other supporting documentation for fiscal years 1985-86 and 1986-87. We also verified the expenses for two months that we randomly selected. In addition, we discussed each category of the summary and the background information with representatives of the respective transit organizations. Finally, we are currently auditing the Alameda/Contra Costa Transit District and will provide this additional information to you when we have completed the work.

Honorable Ken Maddy, Vice Chairman
Members, Joint Legislative
Audit Committee
January 11, 1988
Page 2

TABLE 1
SUMMARY OF BOARD OF DIRECTORS' EXPENSES
FISCAL YEARS 1986-87 AND 1985-86

Expenses	1986-87		1985-86	
	Amount	Percent of Total	Amount	Percent of Total
Directors Fees:				
Golden Gate Bridge, Highway and Transportation District	\$ 59,100	34%	\$ 56,100	31%
Bay Area Rapid Transit*	56,100	37%	54,100	36%
Sacramento Regional Transit	9,800	78%	11,100	63%
San Diego Transit Corporation	9,000	50%	14,500	58%
San Mateo County Transit	22,000	44%	18,600	37%
Medical and Life Insurance:				
Golden Gate Bridge, Highway and Transportation District	48,700	28%	56,600	32%
Bay Area Rapid Transit	31,700	21%	28,500	19%
Sacramento Regional Transit	-	-	-	-
San Diego Transit Corporation	-	-	-	-
San Mateo County Transit	11,600	24%	12,500	25%
Board and Committee Meeting Travel:				
Golden Gate Bridge, Highway and Transportation District	44,800	26%	40,700	23%
Bay Area Rapid Transit	6,600	5%	9,100	6%
Sacramento Regional Transit	-	-	-	-
San Diego Transit Corporation	-	-	-	-
San Mateo County Transit	100	-	100	-
Other Travel:				
Golden Gate Bridge, Highway and Transportation District	20,600	12%	25,100	14%
Bay Area Rapid Transit	50,100	33%	53,900	35%
Sacramento Regional Transit	2,800	22%	6,600	37%
San Diego Transit Corporation	7,800	43%	9,400	37%
San Mateo County Transit	12,300	25%	15,900	32%
Total Yearly Board of Directors' Expenses:				
Golden Gate Bridge, Highway and Transportation District	\$173,200	100%	\$178,500	100%
Bay Area Rapid Transit**	150,900	100%	152,300	100%
Sacramento Regional Transit	12,600	100%	17,700	100%
San Diego Transit Corporation***	18,000	100%	25,100	100%
San Mateo County Transit****	49,700	100%	50,300	100%

* The amounts for this district include \$8,000 in salaries to the president (\$416.66 monthly; \$5,000 annually) and vice-president (250 monthly; \$3,000 annually) in addition to the \$100 per meeting received by all directors.

** The total yearly expenses for this district include additional expenses for retirement plans for the directors of \$6,700 (4 percent of the total yearly expenses) for fiscal year 1985-86 and \$6,400 (4 percent of the total yearly expenses) for fiscal year 1986-87.

*** The total yearly expenses for this district include additional expenses of \$1,200 (5 percent) for fiscal year 1985-86 and \$1,200 (7 percent) for fiscal year 1986-87 for meals provided to the directors during directors' meetings.

**** The total yearly expenses for this district include additional expenses of \$3,200 (6 percent) for fiscal year 1985-86 and \$3,700 (7 percent) for fiscal year 1986-87 for meals provided to the directors during directors' meetings, board supplies, and board room expenses.

Honorable Ken Maddy, Vice Chairman
 Members, Joint Legislative
 Audit Committee
 January 11, 1988
 Page 3

TABLE 2

SUMMARY OF THE TOTAL YEARLY EXPENSES
 FOR EACH DISTRICT AND THE PERCENTAGE
 OF THESE TOTAL EXPENSES FOR
 EACH BOARD OF DIRECTORS
FISCAL YEARS 1986-87 AND 1985-86

	<u>1986-87</u>	<u>1985-86</u>
	<u>Amount</u>	<u>Amount</u>
Total Yearly District Expenses:		
Golden Gate Bridge, Highway and Transportation District	\$ 59,651,000	\$ 58,717,000
Bay Area Rapid Transit	233,147,000	226,048,000
Sacramento Regional Transit	29,616,000	26,692,000
San Diego Transit Corporation	41,555,000	40,451,000
San Mateo County Transit	37,020,000	35,097,000
	<u>1986-87</u>	<u>1985-86</u>
	<u>Percent of Total*</u>	<u>Percent of Total*</u>
Total Yearly Percentage of Directors Expenses to District Expenses:		
Golden Gate Bridge, Highway and Transportation District	.29%	.30%
Bay Area Rapid Transit	.06%	.07%
Sacramento Regional Transit	.04%	.06%
San Diego Transit Corporation	.04%	.06%
San Mateo County Transit	.13%	.14%

* The following percentages are hundredths of one percent of the total yearly district expenses for fiscal years 1986-87 and 1985-86.

Golden Gate Bridge, Highway and Transportation District

The Golden Gate Bridge, Highway and Transportation District (district) operates and maintains the Golden Gate Bridge that connects San Francisco and Marin counties. Approximately 120,000 vehicles cross the bridge each day. In addition, the district provides bus service throughout San Francisco, Marin, and Sonoma counties. The district also provides bus service within Marin County under a contract with the Marin County Transit District. As of July 1987, the district operated 238 buses and, during fiscal year 1986-87, transported approximately 8 million passengers. Further, the district operates four ferries.

Honorable Ken Maddy, Vice Chairman
Members, Joint Legislative
Audit Committee
January 11, 1988
Page 4

During fiscal year 1986-87, the district ferried approximately 1.4 million passengers between Marin and San Francisco counties at a cost of over \$59 million.

As specified in Section 27510 of the California Streets and Highways Code, the district is managed by a 19-member board of directors. The board's responsibilities include establishing policies, approving the plans of the district, and authorizing the expenditure of funds. The 19 members represent the counties within the district. Nine members represent San Francisco; 4 represent Marin County; 3 represent Sonoma County; and the remaining 3 represent Napa, Mendocino, and Del Norte counties, respectively.

Section 27149 of the California Streets and Highways Code entitles each of the 19 members of the district's board of directors to receive \$50 for attending each board and committee meeting. However, no member should receive more than \$5,000 annually, except the president of the board, who can receive up to \$7,500 annually.

For its board of directors, the district paid director fees, fringe benefits, and travel expenses totaling \$173,200 in fiscal year 1986-87 and \$178,500 in fiscal year 1985-86. Table 1 shows the district's expenses for its board of directors for these two years, and Table 2 shows the board of directors' expenses in relation to the district's total operating expenses.

Bay Area Rapid Transit District

The Bay Area Rapid Transit District (BART) operates and maintains a 71.5 mile transit rail system that serves the counties of Alameda, Contra Costa, and San Francisco. As of November 1987, BART operated 440 rail cars and, during fiscal year 1986-87, transported approximately 56,241,000 passengers at a cost of over \$233 million.

As specified in Section 28745 of the Public Utilities Code, BART is managed by a nine-member board of directors. The board's responsibilities include establishing policies, determining the acquisition and construction of transit facilities, approving the plans of BART, and authorizing the expenditure of funds. The nine members are elected by, and represent, nine election districts, each of which contains an equal portion of the total population within the transit district's boundaries.

Honorable Ken Maddy, Vice Chairman
Members, Joint Legislative
Audit Committee
January 11, 1988
Page 5

Section 28748.8 of the Public Utilities Code entitles each of the nine members of the district's board of directors to receive \$100 for attending each district meeting. However, a member should neither receive more than \$500 in any one calendar month nor be paid for more than one meeting attended on the same day. Further, Section 28761 of the Public Utilities Code directs the members of the board to choose a president and vice-president and entitles each to a salary in addition to the \$100 meeting fee. The president is paid \$5,000 annually in \$416.66 monthly increments and the vice-president is paid \$3,000 annually in \$250 monthly increments.

For its board of directors, BART paid director fees, fringe benefits, and travel expenses totaling \$150,900 in fiscal year 1986-87 and \$152,300 in fiscal year 1985-86. Table 1 shows BART's expenses for its board of directors for these two years, and Table 2 shows the board of directors' expenses in relation to the district's total operating expenses.

Sacramento Regional Transit District

The Sacramento Regional Transit District (district) operates and maintains a bus and light-rail transit operation that serves 11 communities within Sacramento and Yolo counties. As of November 1987, the district operated 207 buses and, during fiscal year 1986-87, transported approximately 13,450,000 passengers. In addition, the district operated 26 light-rail cars, which began operation on March 12, 1987, and, during fiscal year 1986-87, transported approximately 614,000 passengers. The operating cost for fiscal year 1986-87 was over \$29 million.

As specified by Section 102100 of the Public Utilities Code, the district is currently managed by a seven-member board of directors. The board's responsibilities include establishing policies, approving the plans of the district, and authorizing the expenditure of funds. Four of the seven board members are appointed to their positions by the Sacramento City Council and three are appointed by the Sacramento County Board of Supervisors.

Section 102106 of the Public Utilities Code entitles each of the seven members to receive \$50 for attending each meeting of the board; the meeting fees should not exceed \$200 in any calendar month.

Honorable Ken Maddy, Vice Chairman
Members, Joint Legislative
Audit Committee
January 11, 1988
Page 6

The district's directors neither receive medical or life insurance benefits nor receive reimbursement for travel to and from board meetings. However, the district does reimburse directors for out-of-town expenses.

For its board of directors, the district paid fees and expenses totaling \$12,600 in fiscal year 1986-87 and \$17,700 in fiscal year 1985-86. Table 1 shows the district's expenses for its board of directors for these two years, and Table 2 shows the board of directors' expenses in relation to the district's total operating expenses.

San Diego Transit Corporation

The San Diego Transit Corporation (corporation) is a subsidiary of the Metropolitan Transit Development Board. It is San Diego's major bus system. The corporation operates and maintains a bus operation serving seven communities within the San Diego metropolitan area. As of November 1987, the corporation operated 283 buses and, during fiscal year 1986-87, transported approximately 25 million passengers at a cost of over \$41 million.

As specified in Article 3, Section 3.2 of the bylaws of the corporation, the corporation is managed by seven directors and one ex-officio director elected by the members. The board's responsibilities include establishing policies, approving the plans and contracts of the corporation, and authorizing the expenditure of funds. Four of the seven members are appointed by the city of San Diego, one is appointed by the South Cities (Chula Vista, Imperial Beach, and National City), another one is appointed by the East Cities (El Cajon, La Mesa, and Lemon Grove), and the remaining one by the County of San Diego.

Section 3.11 of the bylaws of the corporation entitle each of the seven members of the corporation's board of directors to receive \$75 for attending each board or committee meeting during any calendar month. The bylaws set no limit to the number of meetings that a director may be paid for or the amount that a director may receive during any calendar month.

The corporation's directors neither receive medical or life insurance benefits nor receive reimbursement for travel to and from board meetings. The corporation, however, reimburses its directors for out-of-town expenses and provides lunches to board members who attend committee meetings.

Honorable Ken Maddy, Vice Chairman
Members, Joint Legislative
Audit Committee
January 11, 1988
Page 7

For its board of directors, the corporation paid fees and expenses totaling \$18,000 in fiscal year 1986-87 and \$25,100 in fiscal year 1985-86. Table 1 shows the corporation's expenses for its board of directors for these two years, and Table 2 shows the board of directors' expenses in relation to the district's total operating expenses.

San Mateo County Transit District

The San Mateo County Transit District (SAMTRANS) operates and maintains a bus operation that serves San Mateo, San Francisco and Santa Clara counties. As of November 1987, SAMTRANS operated 318 buses and a transportation service for the disabled. During fiscal year 1986-87, these services transported approximately 18,368,000 passengers at a cost of over \$37 million.

As specified by Section 103100 of the Public Utilities Code, SAMTRANS is managed by a nine-member board of directors. The board's responsibilities include establishing policies, determining the acquisition and construction of transit facilities, approving the plans of SAMTRANS, and authorizing the expenditure of funds. The nine members are appointed to their positions and consist of two members of the County Board of Supervisors, three representatives who are city council members, one member appointed by the County Board of Supervisors as a transit expert, and three members of the public, including one from the coastal zone.

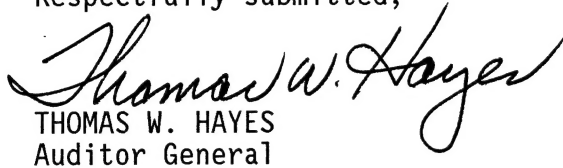
Section 103113 of the Public Utilities Code entitles each of the nine members to receive \$50 for attending each board or committee meeting; this meeting fee should not exceed \$300 in any calendar month. In addition, SAMTRANS occasionally provides meals for the directors attending board and committee meetings.

For its board of directors, SAMTRANS paid fees and expenses totaling \$49,700 in fiscal year 1986-87 and \$50,300 in fiscal year 1985-86. Table 1 shows the district's expenses for its board of directors for these two years, and Table 2 shows the board of directors' expenses in relation to the district's total operating expenses.

Honorable Ken Maddy, Vice Chairman
Members, Joint Legislative
Audit Committee
January 11, 1988
Page 8

We conducted this review under the authority vested in the Auditor General by Section 10500 et seq. of the California Government Code and according to generally accepted governmental auditing standards. We limited our review to those areas specified in the audit scope section of this report.

Respectfully submitted,


THOMAS W. HAYES
Auditor General